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CONTACT: Roxane Marquez at (213) 974-4111 (office)
or (213) 598-5463 (cellular)

GLORIA MOLINA PRAISES PUBLIC-PRIVATE PARTNERSHIP DOLLAR DISTRIBUTION FOR HEALTHCARE

Priority Given to Most Underserved Areas of L.A. County

LOS ANGELES (January 27, 2009)—Los Angeles County Supervisor Gloria Molina expressed strong praise today for how \$44.8 million in one-time public-private partnership healthcare funds will be distributed among the county's neediest, most underserved areas.

"Tens of thousands of Los Angeles County residents in dire need of public healthcare services will get them thanks to our actions today," Molina said. "Even during these precarious budgetary times, we have strengthened the county's healthcare safety net. There is no doubt that need exists throughout the county. But by targeting our most underserved areas, we're giving taxpayers the most bang for their buck—and, simultaneously, we're taking steps to ensure that people who live in the most high-need areas of the county receive their fair share of county funding."

Under a plan formally approved at today's weekly meeting of the Board of Supervisors, Molina and her colleagues voted 3-2 to approve recommendations by a Public Private Partnership (PPP) Allocation Working Group to spend the \$44.8 million—which the supervisors voted to set aside for the PPP program at their October 7, 2008 meeting—in the following specific ways:

- \$4.8 million will be used to build new healthcare sites in underserved pockets of under-equity regions, which the PPP Allocation Working Group identified as Service Planning Areas (SPAs) 1, 3, 6, 7, and 8. (SPA 1 covers the Antelope Valley; SPA 3 encompasses the San Gabriel Valley; SPA 6 includes southern metropolitan Los Angeles; SPA 7 covers the county's eastern region;

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and SPA 8 comprises the South Bay area.) These capital projects may include expanding school-based health clinics that offer services to families as well as PPPs that provide health services at clinics operated directly by the county. Recipients of these funds will be required to identify how they will leverage other funds and eventually become self-sustaining.

- \$35.5 million will be spent over three years in the aforementioned under-equity SPAs for two main purposes: First, to supplement funding for the new clinics being built using the \$4.8 million mentioned above; and second, to pay for doctor's visits for new patients in under-equity SPAs who receive services at existing public-private partnership healthcare clinics. However, some funds will be spent in over-equity SPAs—identified as SPAs 2, 4, and 5—that provide at least 50 percent of their visits to patients who live in under-equity SPAs. (SPA 2 includes the San Fernando Valley; SPA 4 covers northern metropolitan Los Angeles; and SPA 5 comprises western metropolitan Los Angeles.)

- \$1.5 million will be spent to leverage other funds that ultimately will pay for the installation of electronic records at strategic PPP clinic sites. These electronic records will be placed on a web-based system used by both the PPP clinics and the county's Department of Health Services (DHS) in order to make specialty care referrals and to keep better track of patient medical records in general.

- \$3 million which the PPP Allocation Working Group had originally recommended be spent on services for healthcare clients living in underserved geographic pockets of over-equity SPAs 2, 4, and 5 will be redirected to the under-equity areas.

"The intent of these dollars was to bring equity to those parts of the county that have the highest need but the fewest resources," Molina said, "and now they will."

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The PPP program is a critical component of Los Angeles County's public healthcare network. More than 130 clinics participate in the program and they collectively receive \$56 million annually from the county to administer healthcare services. During 2008, PPP clinics serviced 178,000 patients during 560,182 doctor's visits according to DHS.

After identifying the \$44.8 million in extra funding back in Fall 2007, the Board of Supervisors directed the county's Chief Executive Officer and DHS to convene the PPP Allocation Working Group specifically to study how the dollars could be spent in the most equitable fashion possible and to make recommendations for doing so. The workgroup then held four public meetings between November 19, 2008 through January 16, 2009 to obtain input from healthcare stakeholders across the county. In addition to staff from the county's and the state's respective public healthcare agencies, meeting participants included representatives from the University of California at San Francisco (UCSF) Dept. of Family and Community Medicine; Capital Link, Inc.; the Orange County Health Care Agency; The California Endowment; Building Clinic Capacity for Quality; LA Care Health Plan; the Tides Foundation-Community Clinics Initiative; the Alameda Alliance for Health; The Permanente Medical Group, Inc.; the Evaluator of the Frequent Users of Health Initiative; Alameda Net; MCPP Consulting; the UCSF Center for the Health Professions; the Washtenaw Community Health Organization; the California Healthcare Foundation; the Alameda Health Consortium; and the Weingart Foundation.

During these meetings, participants ultimately used a variety of factors to define areas as "under-equity," including the federal poverty level, acuity of disease, lack of existing healthcare providers, and intensity of poverty, among other things. Furthermore, they formulated this definition using criteria that has been in use since DHS negotiated a federal healthcare funding spending waiver in 1995 and again in 2000. These criteria were also used to negotiate a waiver with the state in 2005.

“We learned a great deal from this study, mostly that our most underserved areas shoulder a double burden: They have the largest amount of need and the smallest amount of funding to meet it,” Molina said. “I still firmly believe that until we implement a national healthcare program, we will always struggle to provide healthcare. But I’m proud to say that as a result of today’s vote, we are that much closer in bringing healthcare equity to residents of Los Angeles County who need it most.”

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